

CITIZEN'S TRANSPORTATION OVERSIGHT COMMITTEE

Arizona Department of Transportation

Draft Minutes **November 25, 2008**

A Citizen's Transportation Oversight Committee (CTOC) meeting was held at the Arizona Department of Transportation, 206 South 17th Avenue, Phoenix, Arizona 85007 on November 25, 2008, with Chairman David Martin presiding.

Members Present:

David Martin, Chairman
Nelson Ladd, Maricopa County District 3
Leyton Woolf, Maricopa County District 4
Peggy Jones, Maricopa County District 5

Members Absent:

Jeffrey Schwartz, Maricopa County District 2
Jack Lunsford, Member At Large

Others Present:

Walt Maas, Citizen
Elizabeth Neville, RFS/ADOT
Martha Schary, Citizen
Kyle Nuttall, CASE
Craig Rudolphy, ADOT
Tim Tait, CCP/ADOT
Bill Jameson, A. G.'s Office
Dianne Barker, Citizen
Alford Smith, Whispering Ranch Resident's Assoc.

Kwi Kang, RFS/ADOT
Randi Brook, PMD/ADOT
Charles Lagerstrom, Citizen
Jason Watson, Horrocks Engineers
Eric Anderson, MAG
Fred Garcia, NJW Enterprises
Mike Taylor, RPTA
Tony Bokich, AZTEC Engineering
Bill Cowdrey, HDR

1. Call to Order:

Chairman Martin called to order the Citizen's Transportation Oversight Committee meeting at 4:00 p.m.

2. Welcome and Opening Comments:

Chairman Martin welcomed the public, public officials, members of CTOC and staff to the meeting.

3. Call to the Public:

Walt Maas, citizen, thanked the Committee for their indulgence in their willingness to consider the citizens plight. Today, agenda item six; you have the Loop 303 Noise Issue Recommendation letter. The draft letter

was prepared by ADOT staff. I'd like to review one comment on that letter. The conclusion paragraph is completely unacceptable. What it does is perpetuates the ADOT position taken in May 2007 that says we will consider mitigation as part of Phase II of the 303 development. Phase II is presently scheduled for completion in 2017 and will very possible slip because of budget considerations. We objected to the 2017 date in 2007 with reason. I've gone over the three reasons with you in detail. I have a handout that I can provide. We recommend re-wording and it's in the handout to make the action effective. Otherwise it's totally ineffective and it's a waste of taxpayer's money. I would be glad to respond to questions. When we get to the action item, I do have copies of comments if you need it.

Martha Schary, citizen and Sun City Grand resident, commented that the noise from the 303, which is now only two lanes, is unbearable. I want to know if there is any intention of sound barriers being put up on the east and west side of 303 between Bell and Grand. My second thought is there is a traffic light on 303 at the Grand Avenue exit. Trucks going up and down that road are using their engines to brake and the noise is terrible. Is there something that can be done to stop jake braking from happening?

Chairman Martin commented that this question to CTOC will be directed to ADOT. Is there any intention of putting sound barriers up on Bell to Grand Avenue and whether or not something in that same area can be done on engine braking at the traffic light on the Grand Avenue exit on Loop 303?

Mr. Woolf, Board Member commented that at Grand Avenue toward Wickenburg, the 303 is currently an overpass. On the south side of the Grand Avenue overpass, there is a stop light. I'm assuming that is where you are talking about?
Citizen - yes.

Mr. Woolf, Member stated right now from Grand Avenue to turn south onto the 303, you have to make a left hand turn, wiggle around to the stop light and then turn left. That is the area she is talking about.

Mr. Ladd, Board Member said, isn't it common to have signs prohibiting this type of braking in the city?

Fred Garcia, with NJW Enterprises stated jake braking and motorcycles are two of the most difficult things to mitigate. Rubberized pavement mitigates between 55 and 75 percent of the noise because it mitigates at the source of the tire pavement interaction. When it comes to Jake braking and loud motorcycles there is not much we can do.

Mr. Woolf, Member stated that can be a DPS concern.

Chairman Martin asked if signs can be posted that say no engine braking.

Mr. Garcia stated that when the local jurisdiction gets involved, we can work together to put signage up to minimize. DPS will need to enforce. MCDOT and cities would get involved.

Chairman Martin asked Mr. Garcia to look into that further, the possibility of posting signs.

Mr. Garcia agreed to look into the possibility.

Dianne Barker, citizen, stated the minutes are mostly very clear so thank you. Last meeting, I may have misstated at the beginning the fact that I was a little bit upset about the fact that the City of Phoenix had low marks in sustainability as it was stated in the *Arizona Republic* on the front page. Phoenix got low marks in pollution and water. So, what can we do in transportation with this body toward that? I did come on the natural gas bus and for the first time I used the Dash. The Dash now has a carrier for bicycles. I am looking forward to agenda item seven and eight and to what you have to say today.

Chairman Martin thanked the citizens for their comments.

4. Approval of Minutes:

Chairman Martin called for a motion to approve the CTOC minutes of our September 23, 2008, meeting.

Board Action: Leyton Woolf moved to approve the September 23, 2008, minutes and the motion was seconded by Peggy Jones and carried unanimously.

5. Loop 303 Noise Issues:

Fred Garcia with NJW Enterprises provided an update on the Loop 303 noise issues. Mr. Garcia stated that during a public meeting about one month ago, the Project Development and how Noise Analyses were studied was described. From the hundreds in attendance, it was discovered there was a misunderstanding and erroneous assumptions by the citizens about noise and how noise is mitigated. It was heard that the citizens needed and wanted ADOT to take into account the future connection to I-17, the future interchanges along 303, the future lane additions, future ramps, etc.

Mr. Garcia said that corridors are broken into several sections for various reasons including scheduling and funding. The level of involvement such as federally required environmental documents are different for some sections of the same corridor. The Noise Analysis is going to be done from I-10 all the way around to Grand Avenue and beyond including the connection to I-17. The noise evaluation will be done for the entire Corridor and will be done with the modifications to the Corridor out to 2030. It is not a question or issue as to if ADOT's Noise Study is going to take into account the future activities. It would not make sense to conduct a noise evaluation out just two years because we know the valley's growth rate demands that we extend further. The Noise Study will be detailed using state-of-the-art models from I-10 to I-17 for everything that will be in place by 2030. The studies take into account the projected traffic volumes. MAG information is used to get an idea of future volumes. Noise readings are done all the time to provide a database of information. Taking readings does not constitute a Noise Analysis. So far along this Corridor, preliminary indicators are that currently, we are not exceeding federal criteria for noise levels or of the state policy noise levels. We may exceed noise levels in the future and that is when we plan to mitigate. We will build noise barriers and utilize quiet pavement as the projects progress. We are treating it no different than any other urban areas.

Mr. Woolf, Member asked if there is going to be a noise evaluation and will it focus on what things look like in 2030?

Mr. Garcia replied, it will focus on what the Corridor will look like physically many years out.

Mr. Woolf, Member continued, and does that mean that the mitigation measures will also progress in different phases?

Mr. Garcia replied yes, if they are warranted, they will be included in that particular phase – if the noise levels warrant mitigation.

Mr. Woolf, Member asked, do you at this time have any estimates of what the traffic will be five or ten years out?

Mr. Garcia replied, yes we have projected traffic volumes.

Mr. Woolf, Member stated and from that you can probably make estimates on what the noise levels will be.

Mr. Garcia replied, absolutely, that is part of the required input for the software. We have to meet the traffic volumes and the category breakdown such as large trucks.

Mr. Woolf, Member asked, do you have any idea right now of when measures are going to be taken along this area.

Mr. Garcia answered, I do not know until the environmental document is signed and approved at the federal level. We need certain design elements in place to use the model. When we do these sections or phases and when the projected noise levels indicate that we are reaching the criteria, and then we will incorporate the mitigation in that phase.

Leyton Woolf stated, what you are saying is you have to wait for the feds to sign off on this before you can go into more detail.

Mr. Garcia replied the federal officials have to sign off on the Environmental document. Once we have a signed Environmental document, we can spend more time looking at the design and noise mitigation.

Mr. Woolf, Member continued, after the feds sign off on the Environment document, you can go get an in-depth analysis. Is that what you are saying?

Mr. Garcia replied, yes. We can begin to look at it.

6. Loop 303 Noise Issue Recommendation Letter to the Transportation Board and the MAG Regional Council:

Chairman Martin stated that the CTOC Board directed staff draft a recommendation letter to be sent to the State Transportation Board Chairman Si Schorr and MAG Regional Council Chairman, Mayor Mary Manross on this noise issue.

However, sending a letter to the Board for approval will not be protocol in the future. Given the lack of specific direction, legal counsel thought it was appropriate to bring the letter to the Board.

The Chairman stated he appreciated the fact that Mr. Maas recommended some language for CTOC's letter. The implications of a paragraph change are unknown. To the extend CTOC needs to give further direction on future letters and allow the Chairman the ability to consult with counsel and move forward with future letters. Counsel will be consulted on how to move forward with Mr. Maas's remarks sent to CTOC Board members and whether or not it is in the interest of CTOC to incorporate any of those. Chairman Martin's stated that the letter has been reviewed for accuracy with legal counsel and that amendments would need to also go through legal counsel.

Mr. Jameson, Attorney General's Office stated that the letters appear on the agenda as discussion for possible action. If the Committee wants to, they can discuss possible changes and make a motion to approve those changes and to authorize the signing of the letter once those changes are made. Or, if the letter is acceptable to the Committee, a motion can be made to authorize you to sign the letter as it is written now. As far as whether or not the letter has been reviewed by our office, I can't vouch for that. I haven't seen it until today. However, I'm not sure that is absolutely necessary.

Chairman Martin stated that the letter was reviewed by Adrienne Weinkamer, A. G. There was dialogue on specific wording nuances on this issue. I hesitant to make changes but and I'm comfortable with the review Ms. Weinkamer made. It captures the essence of what the citizen's are seeking.

Peggy Jones, Board Member asked if counsel had an opportunity to review Mr. Maas's changes.

In reply, Chairman Martin stated the suggested changes were received two days ago and there has not been a conversation with Ms. Weinkamer.

Peggy Jones asked if we can have Ms. Weinkamer approve Mr. Maas's suggestions.

The Chairman stated that is fine, but we don't want to wait another month or two to move this forward.

Mr. Woolf, Member stated we can review it; however, I have some difficulties with Mr. Maas's proposed revisions. I 'am not in agreement with some of the items.

Specifics include its fine to say that SR 303 is not a proposed route. It has signs all over it. It exists. It's on our list of freeways to build. It's included in sales tax provisions. It's going to happen. It's not proposed.

Where Mr. Maas's proposal says that their complaints are well founded, well we've had testimonial evidence but that's all. Mr. Garcia's research is not necessarily in agreement with what the testimonials have been.

I can't say myself that those things are well founded. I think further investigation is warranted but I don't want to put in a conclusion that it is that way. I think it's appropriate that ADOT revisit the situation. I don't think there is any claim that Sun City West is noise mitigated. It just never got to the level that it requires mitigation, which is a different type of statement. On Mr. Maas's written comments I think item number three is appropriate.

Chairman Martin asked the Board members if they are in agreement with the previous comments. There was disagreement with Mr. Maas's item number two. It says he wants to discontinue the claim that it is already presently noise mitigated. I think it has been noise mitigated. In their current studies, the conclusion was the decibels were under the federal level. There has been some mitigation. It hasn't been satisfactory to the Sun City residents being exposed. I don't necessarily think they should use that. Item number three was fine. Public meetings are being held. Adding MAG to the distribution list was agreed on. The Chairman asked for a motion.

Board Action: Mr. Woolf Member moved that number item 3 of number 1 of Mr. Maas's suggestions be included in the letter as well as adding MAG to the distribution list. Any additional pieces are not needed. Mr. Ladd, Member seconded the motion. The motion carried unanimously.

7. MAG Transportation Planning Update:

Eric Anderson, MAG Transportation Director, provided an update on Proposition 400. MAG provides overall oversight for all elements of the Proposition 400 program. The Transit Program is being implemented by Valley Metro. The arterial street fund is managed by MAG. The Freeway Program is managed by ADOT; however MAG has fiscal oversight for the Freeway Program. MAG has a responsibility to set priorities for the program and to review and approve proposed material scope and cost changes. FY 2008, revenues were down by 3.2 percent, the first time a decline in taxable sales going back to at least until 1960. This fiscal year, there have been declining revenues for each of the four months. Revenues for October 2008 were down 10.2 percent compared to being down 7.5 percent in September. The reason behind the decline is largely due to the housing downturn. 96.2 percent of the houses in Maricopa County have declined in the last four months. Third quarter of 2008 (July-September), 60 percent of the houses sold in Maricopa County were sold at a loss. Consumer confidence plays a part as well as job prospects, feelings of personal wealth and frozen lines of credit. Some financial institutions are working with homeowners to avoid foreclosures. Sales tax revenues for FY 2008 came in \$30 million under projections. Collections were estimated at \$409 million. \$379 million were collected. ADOT revised the sales tax projections for the balance of the tax for 2009-2026. A Maricopa County Regional Area Road Fund Projected Total Revenue chart was shared and discussed. Another major source of revenue is the Arizona Highway User Revenue Fund. A chart of Projected Total Revenue was shared and discussed. Forecasts have been revised. Potential impact of the revised HURF projections on the MAG Freeway Program is an \$870 million hit. The Summary of Revenue and Costs for the Proposition 400 Freeway Program from 2006-2026 was highlighted and includes total revenues of \$16.3 billion and a deficit of \$5.2 billion in the current analysis. Additional analysis includes confirming ADOT funding to MAG, review and revise bonding scenario and recalculate discount factor based on lower revenues and bonding.

Eric Anderson continued with an update on the Regional Freeway System Phasing Summary. The RTP includes about \$9.5 billion of projects. The current cost estimates are \$15.7 billion. Costs have gone up about \$6.2 billion, or 66 percent since the plan was completed in 2003. The plan was designed in five year phases. Many of the Phase I projects (FY2006-FY2010) have gone to bid or are already under construction. A status report was shared. Phase II projects (FY2011-FY2015) include major projects including final projects on Loop 303. The large project in Phase III (FY2016-FY2020) is I-17 from the Arizona Canal to the stack. A list of Phase IV projects (FY2021-FY2025) was included in the presentation.

Eric Anderson continued with an update on the Regional Freeway System Cost Summary. A cost update bar chart was described and includes price inflation and scope changes. Higher than normal costs result from inflation, emerging countries in the overall global economy, natural disasters, international tensions and additional demand for construction materials and labor. A pie chart describing the scope growth was shared. The total estimate is \$3.5 billion of additional scope and includes quiet pavement replacement, additional roadway lanes, "outside-in" construction filling the outside lanes first, additional interchanges or TI upgrades and others. Regional Freeway Program strategies and options were outlined and include at the federal level, reauthorization, freight program and environmental streamlining. Arizona legislative strategies include appraisal methods and DPS transfers. Management strategies include policy review of draft design concept reports, EIS Management practices, external peer review and accommodation of future needs. Program strategies include bonding beyond 2025 for HURF and federal funds, extend program/delay projects, explore scope adjustments, value engineering for cost savings and options for interim strategies. Proposition 400 Freeway program strategies include options of stay the course, alternative facilities for example the Arizona Parkway, policy and value-engineering and reprioritization. The pros and cons of each option were reviewed. Program scenarios include Trend-Line basically staying the course, Maintain-Budget looking at alternative facilities and Blend utilizing a mixture of strategies. Next steps include review bond program in light of revised revenues and financial markets, analyze future right of way and construction cost inflation, analyze project options such as interim, staging or reducing scopes, continue policy discussion and guidance, discussion of program options in January or February, possible required consultation process if major amendments to RTP proposed and incorporate revised freeway program in the Regional Transportation Plan. Intermodal connectivity is fundamental to the process. Transit colleagues work closely with rail and bus to ensure connectivity. A Transit Framework Study is underway looking at intermodal connections.

Mr. Ladd, Member asked if any of these programs ever come in on budget.
Mr. Anderson said, not always but cost estimations are getting much better.

Mr. Woolf, Member asked if there is a way to jiggle right-of-ways a little to avoid the need to move irrigation wells.
In reply Mr. Anderson said we would like to if only it were that easy. Freeway alignments are very complicated. Many times the well is found during the final design after many other things have already been done.

A citizen asked if she can ask a question and Chairman Martin stated no, you may not. Last time we were in this situation, I said yes and I set a bad precedent. You can ask afterward. The option to speak is during the public comment period.

8. CTOC Financial Compliance Audit Proposals:

Kwi Kang, Regional Freeway Office, stated that during the September CTOC meeting, the Committee approved a scope of work as noted in the handout. A paragraph from the Arizona Statute was cited in a scope of work. The Financial Compliance Audit will include fiscal year 2007 and fiscal year 2008. Four ADOA approved auditing firms received a request for proposal letter from CTOC. Two proposals were received. A brief comparison of Heinfeld, Meech and Henry and Horne was shared. Proposed costs for Heinfeld, Meech is \$12,500. Henry and Horne's proposed cost is between \$8,500 and \$10,000. Both companies proposed a two month duration to conduct the audits.

Mr. Kang asked CTOC Board if they had any questions and recommended the Board approves one of the company's to conduct the Financial Compliance Audit for fiscal years 2007 and 2008.

Ms. Jones, Member stated she had an opportunity to review both companies and she has indirectly known of both. They are both fine companies. I believe the Henry and Horne's proposal is more detailed; I like that proposal better.

Mr. Woolf, Member asked if both proposals result in compliance with our statutory duties.

In reply, Bill Jameson, legal counsel said that if you are asking me whether or not the scope of work set for in the request for proposals can be satisfied at a cost of \$12,000, I don't know. But the scope of work was pretty specific, citing statute, and the methods which they proposed to satisfy the scope of work are certainly set forth in the Henry Horne proposal, both of which I simply received right before the meeting. I can't yet speak for the other proposal.

Chairman Martin asked what ADOA specified in the RFP.

Mr. Kang stated ADOA gave CTOC staff a list of four already approved auditing firms to utilize for the independent CTOC Financial Compliance Audit. The request letter was reviewed by Ms. Weinkamer, CTOC legal counsel.

Mr. Woolf, Member stated that as long as the proposals were approved, either one of them will be ok with him.

Chairman Martin stated he will challenge that because from a legal delegation of duties, you are probably right and it's probably justifiable. However, I don't see how a \$12,500 or for that matter an \$8,000 audit can dig deep enough into the checks and balances of the Regional Area Road Fund being delivered as per the Statute, as per firewalls that exist, I don't understand it. Maybe the answer for me is to interview the firms.

Mr. Woolf, Member stated that the amounts add up to about one person for 50 hours. The controversy we had last time on this audit issue was how they do the audit. They specified how they go through this. They can't audit all the transportation complexities that exist.

Ms. Jones, Member stated I don't think that would be the intent either. They would try to do the most complete audit review they could.

Ms. Jones, Member continued I think they would go in and take random samples. They will look at those samples and if they are in compliance then they will proceed to something else. If they find a lot of irregularities then they will be coming back to us.

Mr. Woolf, Member stated when you take random samples, what percentage are you taking? What percentage is represented in those samples?

Chairman Martin stated that members can vote; however, he expressed his dissention at this point of this not being comprehensive enough.

Ms. Jones asked would the RTP not be included in ADOT's agency audit.

Mr. Kang stated yes, and explained that each year ADOT does conduct an agency Financial Compliance Audit for the entire program.

Chairman Martin stated that this is a CTOC audit for a specific purpose of ensuring the Regional Area Road Fund is spent properly. We are responsible to ensure compliance. For the past couple of meetings, we made a commitment to try to build a firewall between ADOT and CTOC.

Mr. Woolf, Member asked the Chairman what do you want, an interview or do you think specific questions addressed to these two firms for them to look into would be better?

Chairman Martin replied, I think we can do a combination of the two or just one. The point is judging from the documentation we have, I'm not sure if the firms understand the breadth of this audit. They may understand it in their mind. But I'm not sure if they understand the severity of the outcome of the audit and also the breadth.

Mr. Woolf, Member stated maybe we should ask them some questions and give them the opportunity to revise their bids if the things we request are going to cost them more money.

Chairman Martin stated if we are thinking of going that route, it may be better to cancel the outstanding request for proposals and re-issue specifying what you want in the proposal.

Ms. Jones asked where do we get our money.

Chairman Martin replied, the statute requires that ADOT pay for it. Until we give the firms the changes to answer our specific questions, we won't know the new cost.

Chairman Martin added that this is the first year we've done an independent audit. In previous years, we've dovetailed onto the audit of the Department with a sub-piece on behalf of CTOC. Legal counsel and CTOC determined that it was a conflict of interest with CTOC and ADOT and CTOC should be independent.

Board Action: Chairman Martin ask for a motion to reject the two proposals and ask for a more comprehensive proposal and audit to better evaluate what will be done. Mr. Woolf made motion and Mr. Ladd seconded the motion. The motion carried unanimously.

Board Action: Chairman Martin ask for a motion that CTOC legal counsel work with CTOC staff on specific language for discussion with the Committee at a future meeting. Mr. Woolf made a motion and Mr. Ladd seconded the motion. The motion carried unanimously.

9. CTOC FY 08/09 Budget:

Elizabeth Neville, Administrative Services Officer, distributed the CTOC proposed FY 2008-2009 Budget.

Chairman Martin asked for a motion that the CTOC Budget be approved with one exception, that the amount for the audit can be changed in a future meeting if needed.

Board Action: Mr. Woolf moved that the budget be approved as presented with the caveat that the Committee may have to come back and amend the provision dealing with audit costs. Mr. Ladd seconded the motion. The motion carried unanimously.

10. Recommendation of Future Agenda Items:

Chairman Martin recommended the review of the audit description by the Committee.

Chairman Martin recommended a continued update on RTP revenues at every meeting.

Chairman Martin asked for an update on projects delayed or those that will be delayed in FY 2009 due to falling revenues.

A Board Member suggested an update on the Light Rail system for our next agenda.

Chairman Martin replied that funding for the Light Rail System wasn't given by RARF. The money given by RARF was for the maintenance facilities, the bridge, and the park and ride facilities for the Light Rail System. We can get an update from Metro on what RARF expenditures were utilized to get the current system running.

11. Next Scheduled Meeting:

Tuesday, January 27, 2009, 4:00 p.m.
Arizona Department of Transportation
Transportation Board Room 145-147
Phoenix, Arizona

12. Adjournment:

The Chairman thanked everyone for coming and adjourned the meeting at 6:30 p.m.